

existed when Congress enacted TOCSIA.<sup>113</sup> Second, a large number of consumers have filed complaints with the Commission about excessive OSP rates, often under circumstances in which the consumers had no knowledge, prior to receiving a bill, that they had used the particular OSP's services.<sup>114</sup> It is clear that the presence of numerous competitors has not resulted in the benefits of reduced rates, which generally would be expected in a fully competitive market. Indeed, our review of numerous consumer complaints, along with OSP- tariff filings, shows that most OSPs' rates have not decreased and are generally at levels greater than those of AT&T, MCI and Sprint. We understand that consumers who complain about OSP rates that they perceive to be excessive often are told that the rates are contained in tariffs filed with the Commission and have been "approved" by the Commission, which is false.<sup>115</sup> Many consumers, consumer advocates, and regulatory agencies perceive the charges and surcharges that many OSPs bill consumers to be the result of the OSPs' informational tariff structures that are perceived to allow direct or indirect price-gouging.<sup>116</sup> This apparent "limited market failure" or "marginal market dysfunction"<sup>117</sup> persuades us that range-of-rate tariff filings have served to frustrate rather than promote the achievement of TOCSIA's goals of (1) protecting consumers from unfair and deceptive practices, and (2) ensuring that consumers have the opportunity to make informed choices.<sup>118</sup>

47. We take notice that thousands of complaints about OSP rates have been filed at the Commission, many of which have been referred to state regulators because they concerned intrastate service. We believe that consumers have the right to make fully informed decisions at the time of making a call. In order to remove all doubt as to their proper application, all informational tariffs must contain clear and explicit explanatory statements regarding the rates, *i.e.*, the tariff price per unit of service, and the regulations governing the offering of service in that tariff.<sup>119</sup> In light of the foregoing, we invite comment on a proposed rule that if we decide not to forbear from enforcing the informational tariff-filing requirement, we would require all OSPs to include in tariffs filed pursuant to Section 226 of the Communications Act specific and

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<sup>113</sup> See *id.* at 11 n.19 (citing H.R. Rep. No. 213, 101st Cong., 1st Sess. 2 (1989)).

<sup>114</sup> See note 22, *supra*.

<sup>115</sup> See, *e.g.*, letter from Dorothea M. Schmitz (received Aug. 28, 1995) File No. IC-95-26121 (OSP's billing agent told consumer that FCC had approved rates that were more than triple those of AT&T); letter from Rhonda Lloyd (received August 31, 1995) (OSP's billing agent told consumer that FCC had approved the OSP rates about which she had inquired, including a \$10.22 charge for a 3-minute call).

<sup>116</sup> Because many OSPs include in their tariff a range of rates rather than specific charges, consumers often have no way of ascertaining these OSPs' specific rate schedules until they receive bills from an OSP or its billing agent.

<sup>117</sup> See U S West Reply Comments at 10, 20; see also Sprint Reply Comments at 7.

<sup>118</sup> See 47 U.S.C. § 226(d)(1).

<sup>119</sup> Cf. 47 C.F.R. § 61.2, 61.3(z), (cc).

discernible rates and charges rather than a range of rates.<sup>120</sup> We also solicit comment on the proposed rules in Appendix B that would require the OSPs to adhere to certain tariff-filing procedural guidelines set out in the Bureau's 1992 Public Notice.<sup>121</sup> Further, should we adopt benchmarks for 0+ calls, we seek comment on whether we should adopt a policy of waiving the need for an individual OSP to file and maintain an informational tariff at this Commission pursuant to Section 226 of the Communications Act upon its certification to the Commission that it will not connect any call that would cost a consumer more than the benchmark established by the Commission (or by the Bureau under delegated authority) for that type of call. So long as an OSP certified that its rates and any applicable aggregator surcharge or PIF did not exceed FCC benchmarks, we believe that waiving the requirement for an informational tariff, and a substitute tariff every time an OSP revised its rates, would spur greater price competition among OSPs and additional, innovative service offerings to the benefit of consumers.

#### G. Inmate-Only Phones in Correctional Institutions

48. Although a prison or other correctional institution, to the extent it makes telephones available for inmate use only, may not be an aggregator within the meaning of the TOCSIA definition,<sup>122</sup> some commenters in this proceeding have suggested that we could require a BPP system, or alternatively, rate caps, to remedy high charges to the billed party for collect calls initiated by prison inmates.<sup>123</sup> We consider calls from inmate-only telephones in prisons, jails and

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<sup>120</sup> See Appendix B.

<sup>121</sup> A copy of the Public Notice is attached as Appendix B-1.

<sup>122</sup> As previously noted (see note 10, supra), the term "aggregator" is defined in the Communications Act as "any person that, in the ordinary course of its operations, makes telephones available to the public or to transient users of its premises, for interstate telephone calls using a provider of operator services." (emphasis added) 47 U.S.C. § 226(a)(2). In the 1991 TOCSIA Order, the Commission concluded that the definition of aggregator "does not apply to correctional institutions in situations in which they provide inmate-only phones." 6 FCC Rcd at 2749. More recently, we solicited comment on whether the definition of "aggregator" should be expanded to apply to correctional institutions and what, if any, changes should be made in our treatment of entities that provide interstate telecommunications services to prisons and other correctional facilities. Amendment of Policies and Rules Concerning Operator Service Providers and Call Aggregators, CC Docket No. 94-158, Notice of Proposed Rule Making and Notice of Inquiry, 10 FCC Rcd 1533, 1534-35 (1995). We concluded that action to modify our rules so as to treat inmate-only phones in correctional institutions as aggregator locations was not supported by the current record in that proceeding and stated that the issue of inmate rates should be dealt with in the context of the instant OSP Reform proceeding. Report and Order and Further Notice of Proposed Rule Making, FCC 96-75 (rel. Mar. 5, 1996), CC Docket No. 94-158, at 17.

<sup>123</sup> The Commission continues to receive complaints about high rates for interstate calls from phones in correctional institutions that are for use of inmates. See, e.g., letter from Vicki Buchanan to Federal Communications Commission (received Aug. 14, 1995) File No. IC-95-26656 (noting hourly rate of \$46.33); letter from Kathy Nevell to the Commission (received Aug. 25, 1995) File No. IC-95-27426 (complaining of nearly \$650 worth of collect calls billed on behalf of Inmate Communication); letter from Lewis Jake Miller to Commission (received Jul. 27, 1995) File No. IC-95-24160; letter from Robert Felder (received Nov. 21, 1994) File No. IC-95-03399; letter from Robert

other correctional or similar institutions (hereinafter prisons) separately for two primary reasons. First, neither TOCSIA nor our rules require telephones for use only by prison inmates to be unblocked.<sup>124</sup> Thus, callers from these facilities are generally unable to select the carrier of their choice; ordinarily they are limited to the carrier selected by the prison. A disclosure requirement can not directly aid such callers. Second, prisons often install and maintain security equipment for a number of legitimate reasons involving security and other government prerogatives.<sup>125</sup> Given that prisons would likely seek to recover the cost of any equipment employed for legitimate security reasons, we would expect that competitive prices for inmate-only telephone calls from prisons could be higher than the rates of calls from ordinary locations. The record in this proceeding indicates, however, that at least one prison carrier, Gateway, has stated that it is willing and able to provide calls from prisons as well as the standard security equipment at rates comparable to those charged by AT&T, MCI and other large carriers.<sup>126</sup>

49. The additional disclosure requirement proposed above would not be particularly helpful for interstate calls initiated by prison inmates, because prisons currently block inmate access to carriers other than the one chosen by the prison administration. Thus, inmates would not be able to choose an alternative carrier. We have already received comment on applying BPP to interstate calls originated by prison inmates, so as to remedy the problem of unnecessarily high rates charged by some carriers. We now invite comment on whether the public interest would be better served by some alternative remedy for prison inmate calling, including but not limited to requiring full price disclosure to the party to be billed for a collect call before connecting the call for inmate calls.

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Sher (received Dec. 20, 1994) File IC-95-05111.

<sup>124</sup> TOCSIA Order, 6 FCC Rcd at 2749-52.

<sup>125</sup> For example, prisons may need to block inmate calls to judges, jurors, witnesses, or others. In fact, prisons may need to limit inmate calls to a set of pre-approved numbers. Prisons may also attempt to ration the use of telephones by limiting the length of any call or the total duration of all calls by any single inmate in a day or week or month. Prisons may also need to be able to monitor calls and even tape them. See Comments of the Inmate Calling Services Providers Task Force at 9-10 and sources cited therein (filed Aug. 1, 1994 in response to Further Notice).

<sup>126</sup> Ex parte letter from Glenn B. Manishin, counsel for Gateway, to William F. Caton, Federal Communications Commission (May 5, 1995) (Gateway and most major providers of collect-only inmate telecommunications services charge rates that are comparable to those of AT&T, MCI and other large carriers).

#### IV. PROCEDURAL MATTERS

##### A. EX PARTE PRESENTATIONS

50. This is a non-restricted notice and comment rule making proceeding. Ex parte presentations are permitted, except during the Sunshine Agenda period, provided they are disclosed as provided in Commission rules.<sup>127</sup>

##### B. INITIAL REGULATORY FLEXIBILITY ANALYSIS

###### Reason for action.

51. The Commission is issuing this Second Further Notice of Proposed Rule Making to consider alternatives to the implementation of Billed Party Preference by local exchange carriers, to protect consumers from excessive charges in connection with interstate operator services, and to help ensure that consumers are aware of the price of a long distance operator service call before incurring charges.

Objectives. The objective of this Second Further Notice of Proposed Rule Making is to propose requirements regarding charges and surcharges applicable to interstate operator services and to provide an opportunity for public comment thereon.

Legal Basis. Sections 1, 4(i), 4(j), 201-205, 226 and 228 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 154(j), 201-205, 226, 228.

Description, potential impact, and number of small entities affected. The proposed rules will require that interexchange carriers' Informational Tariffs, filed pursuant to Section 226 of the Communications Act, contain specific rates for their operator services. Hundreds of small operator services companies may have to file substitute tariffs and will have to implement other information disclosure requirements if their rates, and related payphone premises-owners' fees or aggregator surcharges, substantially exceed the rates charged by AT&T, MCI and Sprint. Small entities may feel some economic impact in additional printing costs, message production and recording costs due to these requirements.

Reporting, record-keeping, and other compliance requirements. The proposed rules would require carriers charging rates above an established benchmark to provide audibly to consumers the price, or maximum price, of the call before connecting a call.

Federal rules that overlap, duplicate, or conflict with the Commission's proposal. None.

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<sup>127</sup> See, generally, 47 C.F.R. §§ 1.1202, 1.1203, 1.1206(a).

Any significant alternatives minimizing impact on small entities and consistent with stated objectives. None apparent at this time.

Comments are solicited. We request written comments on this Initial Regulatory Flexibility Analysis. These comments must be filed in accordance with the same filing deadlines set for comments on the other issues in this Second Further Notice of Proposed Rule Making, but they must have a separate and distinct heading designating them as responses to this Regulatory Flexibility Analysis. The Secretary shall send a copy of the Notice to the Chief Counsel for Advocacy of the Small Business Administration in accordance with Section 603(a) of the Regulatory Flexibility Act. See 5 U.S.C. § 601, et seq.

### C. Initial Paperwork Reduction Act of 1995 Analysis

52. This NPRM contains either a proposed or modified information collection. As part of its continuing effort to reduce paperwork burdens, we invite the general public and the Office of Management and Budget (OMB) to take this opportunity to comment on the information collections contained in this NPRM, as required by the Paperwork Reduction Act of 1995, Pub. L. No. 104-13. Public and agency comments are due at the same time as other comments on this NPRM; OMB comments are due 60 days from date of publication of this NPRM in the Federal Register. Comments should address: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's burden estimates; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on the respondents, including the use of automated collection techniques or other forms of information technology.

## V. CONCLUSION

53. In this Second Further Notice of Proposed Rulemaking, we tentatively conclude that we should: (1) establish benchmarks for OSPs' rates and associated charges that reflect consumers' expectations; and (2) require OSPs whose charges and related aggregator surcharges or premises-owner fees exceed such benchmarks to disclose orally to consumers, before connecting a call, the total charges for which consumers would be liable. In the alternative, we seek comment on whether we should require OSPs to give a specific rate brand for all 0+ calls. We also solicit comment on proposed rules with respect to the filing of informational tariffs for interstate operator services and the extent to which we must or may forbear from enforcing the requirements for such tariffs. Finally, we solicit comment whether the public interest would be better served by alternative remedies than BPP for high rates charged by some carriers serving prisons.

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## VI. ORDERING CLAUSES

54. Accordingly, IT IS ORDERED, pursuant to Sections 1, 4(i), 4(j), 10, 201-205, 218 and 226 of the Communications Act of 1934, as amended, 47 U.S.C. § 151, 154(i), 154(j), 160, 201-205, 218, 226, that a SECOND FURTHER NOTICE OF PROPOSED RULE MAKING IS ISSUED, proposing the amendment of 47 C.F.R. Part 64 as set forth in Appendix B.

55. IT IS FURTHER ORDERED that, pursuant to applicable procedures set forth in Sections 1.415 and 1.419 of the Commission's Rules, 47 C.F.R. §§ 1.415, 1.419, comments SHALL BE FILED with the Secretary, Federal Communications Commission, Washington, D.C. 20554 on or before 30 days after date of publication of notice in the Federal Register. Reply comments should be filed no later than 60 days after date of publication of notice in the Federal Register. To file formally in this proceeding, participants must file an original and six copies of all comments, reply comments, and supporting comments. If participants want each Commissioner to receive a personal copy of their comments, an original plus nine copies must be filed. In addition, parties should file two copies of any such pleadings with the Enforcement Division, Common Carrier Bureau, Room 6008, 2025 M Street N.W., Washington, D.C. 20554. Parties should also file one copy of any documents filed in this docket with the Commission's copy contractor, International Transcription Services, Room 140, 2100 M Street, N.W., Washington, D.C. 20037. Comments and reply comments will be available for public inspection during regular business hours in the FCC Reference Center (Room 239) of the Federal Communications Commission, 1919 M Street, N.W., Washington, D.C. 20554.

56. IT IS FURTHER ORDERED that, in order to facilitate review of comments and reply comments, both by parties and by Commission staff, we require that comments and reply comments include a summary of the substantive arguments raised in the pleading.<sup>128</sup> Parties are also asked to submit comments and reply comments on diskette. Such diskette submissions would be in addition to the formal filing requirements addressed above. Parties submitting diskettes should submit them to Adrien Auger of the Common Carrier Bureau, 2025 M Street, N.W., Room 6120, Washington, D.C. 20554. Such submission should be on a 3.5 inch diskette formatted in an IBM compatible form using MS DOS 5.0 and WordPerfect 5.1 software. The diskette should be submitted in "read only" mode. The diskette should be clearly labelled with the party's name, proceeding, type of pleading (comment or reply comments) and date of submission. The diskette should be accompanied by a cover letter.

57. IT IS FURTHER ORDERED that any written comments by the public, as provided for in the Paper Reduction Act of 1995, on the proposed and/or modified information collections are due 30 days after date of publication of notice in the Federal Register. Written comments must be submitted by the Office of Management and Budget on the proposed and/or modified

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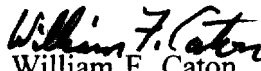
<sup>128</sup> Comments and reply comments must also comply with section 1.49 and all other applicable sections of the Commission's Rules. See 47 C.F.R. § 1.49.

information collections on or before 60 days after date of publication in the Federal Register. In addition to filing comments with the Secretary, a copy of any comments on the information collections contained herein should be submitted to Dorothy Conway, Federal Communications Commission, Room 234, 1919 M Street, N.W., Washington, DC 20554, or via the Internet to [dconway@fcc.gov](mailto:dconway@fcc.gov) and to Timothy Fain, OMB Desk Officer, 10236 NEOB, 725 - 17th Street, N.W., Washington, DC 20503 or via the Internet to [fain\\_t@al.eop.gov](mailto:fain_t@al.eop.gov).

58. IT IS FURTHER ORDERED, that the Chief of the Common Carrier Bureau is delegated authority to require the submission of additional information, make further inquiries, and modify the dates and procedures in this docket if necessary to provide for a more complete record and a more efficient proceeding.

59. IT IS FURTHER ORDERED, that the Secretary shall mail a copy of this Second Further Notice of Proposed Rule Making to the Chief Counsel for Advocacy of the Small Business Administration, in accordance with section 603(a) of the Regulatory Flexibility Act, 5 U.S.C. § 603(a)(1981). The Secretary shall also cause a summary of this Notice to appear in the Federal Register.

FEDERAL COMMUNICATIONS COMMISSION

  
William F. Caton  
Acting Secretary

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**APPENDIX A****Parties Commenting on BPP Alternatives Proposed by NAAG and CompTel Coalition**

America's Carriers Telecommunications Association	(ACTA)
American Public Communications Council	(APCC)
Ameritech Operating Companies	(Ameritech)
AT&T Corp.	(AT&T)
Bell Atlantic Telephone Companies	(Bell Atlantic)
Capital Network System, Inc.	(CNS)
Citizens United for Rehabilitation of Errants	(CURE)
Colorado Public Utilities Commission Staff	(Colorado PUC Staff)
Competitive Telecommunications Association	(CompTel)
CompTel Coalition	
CompTel	
Bell Atlantic	
NYNEX	
US West	
American Public Communications Council	(CompTel Coalition)
Florida Public Service Commission	(FPSC)
Frontier Communications International Inc.	(Frontier International)
Gateway Technologies, Inc.	(Gateway)
GTE Service Corporation	(GTE)
Industry Coalition	
Bell Atlantic Companies	
BellSouth Telecommunications, Inc.	
NYNEX Telephone Companies	
U S West Communications, Inc.	
American Public Communications Counsel	
The Competitive Telecommunications Association	
MFS Communications Co., Inc.	(Industry Coalition)
Inmate Calling Services Providers Task Force	(ICSPTF)
Intellicall, Inc. and	
Intellicall Operator Services, Inc.	(Interllicall Companies)
MCI Telecommunications Corporation	(MCI)
MessagePhone, Inc.	(MessagePhone)
National Association of Attorneys General	
Consumer Protection Committee	
Telecommunications Subcommittee	(NAAG)
National Association of State Utility Consumer Advocates	(NASUCA)
National Telephone Cooperative Association	(NTCA)
New York Department of Public Service	(NYDPS)



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**APPENDIX A****Parties Commenting, continued**

NYNEX Telephone Companies	(NYNEX)
Oncor Communications, Inc.	(Oncor)
One Call Communications, Inc. dba Opticom	(Opticom)
Operator Service Company	(OSC)
Pacific Bell and Nevada Bell	(Pacific Companies)
Southwestern Bell Telephone Company	(SWBT)
Sprint Corporation	(Sprint)
Teltrust, Inc., Teltrust Communications Services, Inc. and Teltrust Phones, Inc.	(Teltrust)
United States Telephone Association	(USTA)
U.S. Long Distance, Inc.	(USLD)
U.S. Osiris Corporation	(USOC)
U S WEST Communications, Inc.	(U S WEST)

**Other Commenters Filing Late or Ex Parte \***

Cochran, Fox & Co., Inc.	
Digital Network Services, Inc.	
National Association of Regulatory Utility Commissioners	(NARUC)
Pennsylvania Public Utility Commission	(PaPUC)
Sacramento County Sheriff's Department	

\* Not inclusive

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**APPENDIX B****Proposed Rule Amendments****PART 64 - MISCELLANEOUS RULES  
RELATING TO COMMON CARRIERS**

It is proposed that Part 64 of Title 47 of the Code of Federal Regulations be amended as follows:

1. The authority citation for Part 64 continues to read as follows:

AUTHORITY: Sec. 4, 48 Stat. 1066, as amended; 47 U.S.C. 154, unless otherwise noted. Interpret or apply secs. 201, 218, 226, 228, 48 Stat. 1070, as amended, 1077; 47 U.S.C. 201, 218, 226, 228, unless otherwise noted.

2. Part 64, Subpart G, is proposed to be amended by substituting the following for Section 64.703(c):

**§ 64.703(c) Information disclosure.**

(1) Informational tariffs filed pursuant to 47 U.S.C. § 226(h)(1)(A) shall contain specific rates expressed in dollars and cents for all interstate operator services of the carrier and shall also contain applicable surcharges, if any, billed on behalf of aggregators by the carrier or another billing agent.

(2) Surcharges billed on behalf of aggregators, if any, shall be specified in informational tariffs in dollars and cents.

(3) In order to remove all doubt as to their proper application, all informational tariffs must contain clear and explicit explanatory statements regarding the rates, i.e., the tariffed price per unit of service, and the regulations governing the offering of service in that tariff.

(4) Operator services providers whose charges and any applicable aggregator surcharge for any call exceed any benchmark established by the Commission, or exceed benchmarks established by the Commission for the initial minute or additional minutes, shall provide, at no charge before the call is connected, either the specific charges, including any aggregator surcharge or premises owner fee, applicable to that call, or the maximum charges, including any aggregator surcharge or premises owner fee, that the consumer may be billed for that call.

(5) Informational tariffs shall be accompanied by a cover letter, addressed to the Secretary of the Commission, explaining the purpose of the filing.

(i) The original of the cover letter shall be submitted to the Secretary without attachments, along with FCC Form 159, and the appropriate fee to the Mellon Bank, Pittsburgh, Pennsylvania.

(ii) Copies of the cover letter and the attachments shall be submitted to the Secretary's Office, the Commission's contractor for public records duplication, and the Chief, Tariff Review Branch.

(6) Any changes to the tariff shall be submitted under a new cover letter with a complete copy of the tariff, including changes.

(i) Changes to a tariff shall be explained in the cover letter but need not be symbolized on the tariff pages.

(ii) Revised tariffs shall be filed pursuant to the procedures specified in subsection 64.703(c)(5).

**APPENDIX B-1**

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Before the  
Federal Communications Commission  
Washington, D.C. 20554

## PUBLIC NOTICE

Released: May 1, 1992

### PROCEDURES FOR FILING INFORMATIONAL TARIFFS BY OPERATOR SERVICES PROVIDERS

On December 4, 1990, the Commission released a public notice that established procedures for filing of informational tariffs by operator service providers (OSPs). For the convenience of the public, we now reiterate those procedures and attach a suggested format for informational tariffs.

*Content of Filing:* The Telephone Operator Consumer Services Improvement Act of 1990, 47 U.S.C. § 226, (TOCSIA) requires operator service providers to file and maintain informational tariffs. These tariffs must contain the carrier's name and business address and the effective date of the informational tariff on each page of the informational tariff. In addition, each informational tariff must specify

rates, terms, and conditions, and including commissions, surcharges, any fees which are collected from consumers, and reasonable estimates of the amount of traffic priced at each rate, with respect to calls for which operator services are provided.

47 U.S.C. § 226(h)(1)(A). Informational tariffs should conform to the format attached to this Public Notice.

Informational tariffs should comply with the provisions of Sections 61.54 and 61.74 of the Commission's Rules, 47 C.F.R. §§ 61.54, 61.74. Charges should be stated in dollars and cents and should not include cross-references to any other document, except that informational tariffs may cross reference other documents containing rate center vertical and horizontal coordinate information for purposes of determining mileage.

TOCSIA does not require a public notice period before provisions of informational tariffs become effective. Therefore, Section 1.773 of the Commission's Rules, 47 C.F.R. § 1.773, shall not apply to these filings.

*Who Must File:* Each provider of operator services is required to file an informational tariff. TOCSIA defines "provider of operator services" as "any common carrier that provides operator services or any other person determined by the Commission to be providing operator services." 47 U.S.C. § 226(a)(9). TOCSIA defines "operator services" as

any interstate telecommunications service initiated from an aggregator location that includes, as a component, any automatic or live assistance to a consumer to arrange for billing or completion, or both, of an interstate telephone call through a method other than (A) automatic completion with billing to the telephone from which the call originated; or (B)

completion through an access code used by the consumer, with billing to an account previously established with the carrier by the consumer.

47 U.S.C. § 226(a)(7).

*Filing Procedures:* Informational tariffs should be filed pursuant to the provisions of Section 61.32 of the Commission's Rules, 47 C.F.R. § 61.32. These tariffs need not be accompanied by a formal Transmittal letter but should be accompanied by a cover letter explaining the purpose of the filing. In brief, Section 61.32 provides that the original of the carrier's letter should be addressed to the Secretary of the Commission and should be submitted, without attachments, along with FCC Form 155, and the appropriate fee to the Mellon Bank, Pittsburgh, Pennsylvania. A copy of the cover letter and the attachments should be submitted to the Secretary's Office; the Commission's contractor for public records duplication, Downtown Copy Center; and the Chief, Tariff Review Branch.

Any changes to the tariff should be submitted under a new cover letter with a *complete* copy of the tariff, including changes. The changes should be explained in the cover letter and need not be symbolized on the tariff pages. These documents should then be filed pursuant to the procedures stated above.

For further information contact Judy Nitsche at (202) 632-5550 or Kelly Cameron at (202) 632-6917.

FEDERAL COMMUNICATIONS COMMISSION

Approved by OMB  
3060-0478

Expires May 31, 1994  
Est. Avg. Hrs. Per Response: 50 Hrs.

ABC Company

Informational Tariff  
Title Page

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Interstate Operator Services

[Here describe briefly the services  
included in this tariff.]

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EFFECTIVE DATE

John Doe, Responsible Officer  
ABC Company  
123 Main Street  
Anytown, USA

ABC Company

Informational Tariff  
Page 1

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Table of Contents

- A. Terms and Conditions
  - 1. Definitions
  - 2. Rules and Regulations
- B. Description of Service
- C. Rates and Charges
- D. Commissions, Surcharges, Fees
- E. Estimates of Traffic

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EFFECTIVE DATE

John Doe, Responsible Officer  
ABC Company  
123 Main Street  
Anytown, USA

ABC Company

Informational Tariff

Page 2

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A. Terms and Conditions

[Here provide the rules and regulations associated with the use of this service.]

## B. Description of Service

[Here provide the description of the service(s) to be offered under this tariff, including the points of service where service is made available.]

## C. Rates and Charges

[Here provide the rates and charges to be applied to service. These must be stated in dollars and cents.]

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D. Commissions, Surcharges, Fees

[Here provide the information required by Section 226 of the Communications Act, as added by the Telephone Operator Consumer Services Improvement Act of 1990.]

## E. Estimates of Traffic

[Here provide the information required by Section 226 of the Communications Act, as added by the Telephone Operator Consumer Services Improvement Act of 1990.]

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EFFECTIVE DATE

John Doe, Responsible Officer  
ABC Company  
123 Main Street  
Anytown, USA



**APPENDIX C****CompTel Coalition's Proposed Benchmark Ceilings**

**Maximum charges to end users, including all surcharges, premises imposed fees and other charges:**

**Collect, Calling Card,  
and Third Party****Person-to-Person**

<b>1 Minute</b>	<b>= \$3.75</b>	<b>\$4.75</b>
<b>2 Minutes</b>	<b>= \$4.25</b>	<b>\$5.25</b>
<b>3 Minutes</b>	<b>= \$4.75</b>	<b>\$5.75</b>
<b>4 Minutes</b>	<b>= \$5.25</b>	<b>\$6.25</b>
<b>5 Minutes</b>	<b>= \$5.50</b>	<b>\$6.50</b>
<b>6 Minutes</b>	<b>= \$5.95</b>	<b>\$6.95</b>
<b>7 Minutes</b>	<b>= \$6.20</b>	<b>\$7.20</b>
<b>8 Minutes</b>	<b>= \$6.65</b>	<b>\$7.65</b>
<b>9 Minutes</b>	<b>= \$7.00</b>	<b>\$8.00</b>

**10 Minutes and each additional minute = \$0.35/minute**

**APPENDIX D**

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## APPENDIX D

### BENCHMARK DATA

TYPE CHARGE	CLASS OF SERVICE			
	Person to Person	Operator Station		Cust.-Dialed Calling Card
Usage	Table X	Table X		Table Y
Service Charge	\$5.18	Collect	3rd Party	\$0.92
		\$2.46	\$2.58	
Operator-Dialed Surcharge	\$1.15	\$1.15		-----

The data in this Appendix D form the basis for Tables A through H in Appendix E. The figures are based on a weighted average of line rates found in AT&T's Tariff F.C.C. No. 27, *Consumer Telecommunications Service*, in effect September 26, 1995, MCI Tariff F.C.C. No. 1, *Customized Business Communications Services*, in effect April 3, 1995 (usage rates) and July 13, 1995 (operator service rates), and Sprint Tariff F.C.C. No. 1, *Specialized Common Carrier Service*, in effect April 5, 1995 (usage rates) and April 17, 1995 (operator service rates), (except as otherwise noted) plus an increase of fifteen (15) percent. Note that the rates included in carriers' tariffs are subject to temporary reductions as a result of promotional and other special offerings by these carriers. These average rates (see pages 2-4 of this appendix for methodology) plus the percentage increase represent illustrative "benchmark" rates for purposes of this Second Further Notice of Proposed Rule Making, CC Docket No. 92-77.

TABLE X

Mileage	DAY		EVE.		NIGHT	
	Initial Min.	Addl. Min.	Initial Min.	Addl. Min.	Initial Min.	Addl. Min.
1-10	0.3105	0.3105	0.1955	0.1955	0.1725	0.1725
11-22	0.3105	0.3105	0.2070	0.2070	0.1725	0.1725
23-55	0.3220	0.3220	0.2300	0.2300	0.1840	0.1840
56-124	0.3335	0.3335	0.2300	0.2300	0.1955	0.1955
125-292	0.3335	0.3335	0.2415	0.2415	0.1955	0.1955
293-430	0.3565	0.3565	0.2415	0.2415	0.1955	0.1955
431-925	0.3565	0.3565	0.2415	0.2415	0.1955	0.1955
926-1910	0.3565	0.3565	0.2415	0.2415	0.2070	0.2070
1911-3000	0.3565	0.3565	0.2760	0.2760	0.2300	0.2300
3001-4250	0.3910	0.3910	0.2875	0.2875	0.2300	0.2300
> 4250	0.4255	0.4255	0.2990	0.2990	0.2415	0.2415

TABLE Y

Mileage	DAY		EVE.		NIGHT	
	Initial Min.	Addl. Min.	Initial Min.	Addl. Min.	Initial Min.	Addl. Min.
1-10	0.3450	0.2875	0.2760	0.2185	0.2530	0.1955
11-22	0.3565	0.2990	0.2760	0.2185	0.2530	0.1955
23-55	0.4025	0.3450	0.2990	0.2415	0.2645	0.2070
56-124	0.4025	0.3450	0.2990	0.2415	0.2645	0.2070
125-292	0.4255	0.3680	0.2990	0.2415	0.2645	0.2070
293-430	0.4255	0.3680	0.3105	0.2530	0.2760	0.2185
431-925	0.4255	0.3680	0.3220	0.2645	0.2760	0.2185
926-1910	0.4370	0.3795	0.3450	0.2875	0.2875	0.2300
1911-3000	0.4370	0.3795	0.3565	0.2990	0.2990	0.2415
3001-4250	0.4485	0.3910	0.3565	0.2990	0.2990	0.2415
> 4250	0.4830	0.4255	0.3565	0.2990	0.3105	0.2530

## APPENDIX D (continued)

### **CALCULATION OF RELATIVE WEIGHTED AVERAGE OPERATOR SERVICE RATES FOR THE PURPOSES OF COMMISSION BENCHMARKS IN CC DOCKET 92-77**

**Background.** Analysis of interstate tariffs filed by AT&T, MCI, and Sprint ("big three") showed that most of their tariffed interstate operator service rates were the same in the fall of 1995 ("common rates"). In those instances where there was some variation in the operator service rates charged by the "big three," we calculated a relative weighted average of the rates charged by the "big three" carriers ("weighted rates"). To prepare Appendices D and E, we added fifteen (15) percent to the common and weighted rates.

**Assumptions.** For the calculation of "weighted rates," we assume, first, that the "big three" were the only operator service providers in the market ("hypothetical market") and, second, that their respective rates should be weighted based upon their relative shares of that hypothetical market.

#### Methodology.

1. As there is no public information that provides a direct measure of the AT&T, MCI, and Sprint shares of the interstate **operator services** market, we used a surrogate. For that surrogate, we chose to use our best estimate of each carrier's share of the interstate **toll service** market, on the assumption that each carrier's share of the interstate toll service market provided the most reasonable estimate of that carrier's share of the interstate operator services market.
2. We estimated interstate toll service revenues by subtracting estimates of intrastate and international toll revenues from the total toll service revenues published in the Commission's "Long Distance Market Share, 1995" (Table 5). We explain these elimination procedures below.

a. International Traffic. To eliminate international traffic from each carrier's total toll revenues, we used the Commission's "Preliminary 1994 Section 43.61 International Telecommunications Data (Table 8)" as follows (in millions of dollars):

		Facility Based Revenues	Pure Resale Revenues	Total International Toll Revenues
(1)	AT&T	5752	-0-	5752
(2)	MCI	2793	56	2849
(3)	Sprint	854	57	911

b. Intrastate Traffic. To eliminate the intrastate traffic, we obtained from Table 11 of the Telecommunications Industry Revenue, TRS Fund Worksheet Data (1993) the "big 4 carriers'" overall percentage of total toll revenues attributable to intrastate services. We found that figure to be about 23 percent. Applying that percentage to each carrier's total toll service revenues, we calculated each carrier's intrastate toll service traffic revenue as follows (in millions of dollars):

		Total Toll Revenue	Intrastate Revenue Percentage	Intrastate Revenue Amounts
(1)	AT&T	37166	23%	8548
(2)	MCI	11715	23%	2694
(3)	Sprint	8805	23%	1565

c. Interstate Traffic. By elimination of the international and intrastate traffic from the interexchange traffic data, we arrive at the following interstate revenue figures (in millions of dollars):

Big Three Carriers	1994 Toll Service Revenues (Para.2.b)	Less:International Revenues (Para.2.a)	Less:Intra-state Revenues (Para.2.b)	Interstate Toll Service Revenues
AT&T	37166	(5752)	(8548)	22,866
MCI	11715	(2849)	(2694)	6,172
Sprint	6805	(911)	(1565)	4,329

d. Relative Weights. From each carrier's portion of the interstate toll service revenues, we calculated their respective relative weights as percentages of the hypothetical interstate toll service market. Revenues are shown in millions of dollars.

Name of Carrier	Interstate Revenue	Relative Weights
AT&T	\$ 22,866	69%
MCI	6,172	18%
Sprint	4,329	13%
Only "big three"	33,367	100%

e. Relative Weighted Rates. We then employed those weights to combine the disparate rates of AT&T, MCI, and Sprint. For example, these carriers had the following respective service charges on third-party, operator station calls: AT&T and MCI each charged \$2.25 while Sprint charged \$2.20. Applying the above

relative weights to those rates, we **calculated a weighted rate of \$2.24** for this service charge as follows:

Carrier	Tariffed Rate	Relative Percentage	Weighted Rate
AT&T	\$2.25	69%	\$1.55
MCI	2.25	18%	.40
Sprint	2.20	13%	.29
Weighted Rate	n/a	100%	<b>\$2.24</b>

**APPENDIX E**

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## APPENDIX E

### BENCHMARK TABLES

Benchmark rates on this page are shown in fractional dollars. The initial minute rates include usage charges, service charges and operator-dialed surcharges, as applicable. The additional minute rates include only usage charges. (See Appendix D for the data used to formulate these rates.)

TABLE A -- Person-to-Person, Customer Dials						
Mileage	DAY		EVE.		NIGHT	
	Initial Min.	Addl. Min.	Initial Min.	Addl. Min.	Initial Min.	Addl. Min.
1-10	5.4855	0.3105	5.3705	0.1955	5.3475	0.1725
11-22	5.4855	0.3105	5.3820	0.2070	5.3475	0.1725
23-55	5.4970	0.3220	5.4050	0.2300	5.3590	0.1840
56-124	5.5085	0.3335	5.4050	0.2300	5.3705	0.1955
125-292	5.5085	0.3335	5.4165	0.2415	5.3705	0.1955
293-430	5.5315	0.3565	5.4165	0.2415	5.3705	0.1955
431-925	5.5315	0.3565	5.4165	0.2415	5.3705	0.1955
926-1910	5.5315	0.3565	5.4165	0.2415	5.3820	0.2070
1911-3000	5.5315	0.3565	5.4510	0.2760	5.4050	0.2300
3001-4250	5.5660	0.3910	5.4625	0.2875	5.4050	0.2300
> 4250	5.6005	0.4255	5.4740	0.2990	5.4165	0.2415

TABLE B -- Person-to-Person, Operator Dials						
Mileage	DAY		EVE		NIGHT	
	Initial Min.	Addl. Min.	Initial Min.	Addl. Min.	Initial Min.	Addl. Min.
1-10	6.6355	0.3105	6.5205	0.1955	6.4975	0.1725
11-22	6.6355	0.3105	6.5320	0.2070	6.4975	0.1725
23-55	6.6470	0.3220	6.5550	0.2300	6.5090	0.1840
56-124	6.6585	0.3335	6.5550	0.2300	6.5205	0.1955
125-292	6.6585	0.3335	6.5665	0.2415	6.5205	0.1955
293-430	6.6815	0.3565	6.5665	0.2415	6.5205	0.1955
431-925	6.6815	0.3565	6.5665	0.2415	6.5205	0.1955
926-1910	6.6815	0.3565	6.5665	0.2415	6.5320	0.2070
1911-3000	6.6815	0.3565	6.6010	0.2760	6.5550	0.2300
3001-4250	6.7160	0.3910	6.6125	0.2875	6.5550	0.2300
> 4250	6.7505	0.4255	6.6240	0.2990	6.5665	0.2415

TABLE C -- Calling Card, Customer Dials						
Mileage	DAY		EVE.		NIGHT	
	Initial Min.	Addl. Min.	Initial Min.	Addl. Min.	Initial Min.	Addl. Min.
1-10	1.2650	0.2875	1.1960	0.2185	1.1730	0.1955
11-22	1.2765	0.2990	1.1960	0.2185	1.1730	0.1955
23-55	1.3225	0.3450	1.2190	0.2415	1.1845	0.2070
56-124	1.3225	0.3450	1.2190	0.2415	1.1845	0.2070
125-292	1.3455	0.3680	1.2190	0.2415	1.1845	0.2070
293-430	1.3455	0.3680	1.2305	0.2530	1.1960	0.2185
431-925	1.3455	0.3680	1.2420	0.2645	1.1960	0.2185
926-1910	1.3570	0.3795	1.2650	0.2875	1.2075	0.2300
1911-3000	1.3570	0.3795	1.2765	0.2990	1.2190	0.2415
3001-4250	1.3685	0.3910	1.2765	0.2990	1.2190	0.2415
> 4250	1.4030	0.4255	1.2765	0.2990	1.2305	0.2530

TABLE D -- Calling Card, Operator Dials						
Mileage	DAY		EVE.		NIGHT	
	Initial Min.	Addl. Min.	Initial Min.	Addl. Min.	Initial Min.	Addl. Min.
1-10	2.7715	0.3105	2.6565	0.1955	2.6335	0.1725
11-22	2.7715	0.3105	2.6680	0.2070	2.6335	0.1725
23-55	2.7830	0.3220	2.6910	0.2300	2.6450	0.1840
56-124	2.7945	0.3335	2.6910	0.2300	2.6565	0.1955
125-292	2.7945	0.3335	2.7025	0.2415	2.6565	0.1955
293-430	2.8175	0.3565	2.7025	0.2415	2.6565	0.1955
431-925	2.8175	0.3565	2.7025	0.2415	2.6565	0.1955
926-1910	2.8175	0.3565	2.7025	0.2415	2.6680	0.2070
1911-3000	2.8175	0.3565	2.7370	0.2760	2.6910	0.2300
3001-4250	2.8520	0.3910	2.7485	0.2875	2.6910	0.2300
> 4250	2.8865	0.4255	2.7600	0.2990	2.7025	0.2415